RECOMMENDATION OF THE BOARD GOVERNANCE COMMITTEE (BGC)

RECONSIDERATION REQUEST 13-9

10 OCTOBER 2013

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On 4 September 2013, Amazon EU S.a.r.l. ("Amazon") submitted a reconsideration request ("Request"). The Request asked the Board to reconsider the 21 August 2013 Expert Determination from a dispute resolution Panel established by the International Centre for Dispute Resolution ("ICDR") sustaining Commercial Connect LLC's ("Commercial Connect") objection to Amazon's new gTLD application for the Japanese translation of "online shopping" ("Amazon's Applied-for String") as being confusingly similar to Commercial Connect's application for .SHOP ("Commercial Connect's Applied-for String").

I.   Relevant Bylaws

Article IV, Section 2.2 of ICANN's Bylaws states in relevant part that any entity may submit a request for reconsideration or review of an ICANN action or inaction to the extent that it has been adversely affected by:

>   (a) one or more staff actions or inactions that contradict established
>   ICANN policy(ies); or
>
>   (b) one or more actions or inactions of the ICANN Board that have been
>   taken or refused to be taken without consideration of material information,
>   except where the party submitting the request could have submitted, but
>   did not submit, the information for the Board's consideration at the time of
>   action or refusal to act; or
>
>   (c) one or more actions or inactions of the ICANN Board that are taken as
>   a result of the Board's reliance on false or inaccurate material information.

Dismissal of a request for reconsideration is appropriate if the Board Governance Committee ("BGC") recommends, and in this case the New gTLD Program Committee ("NGPC") agrees, that the requesting party does not have standing because the party failed to

satisfy the criteria set forth in the Bylaws. These standing requirements are intended to protect

the reconsideration process from abuse and to ensure that it is not used as a mechanism simply to

challenge an action with which someone disagrees. The reconsideration process is for situations

where the staff acted in contravention of established policies (when the Request is based on staff

action or inaction).

The Request was received on 4 September 2013, which makes it timely under the Bylaws.

Bylaws, Art. IV, § 2.5.

II.   Background

A.   The New gTLD Objection Procedure

The New gTLD Program includes an objection procedure pursuant to which objections to

applications for new gTLDs are submitted to an independent dispute resolution service provider

("DRSP"). The objection procedures are set out in Module 3 of the Applicant Guidebook

("Guidebook") (http://newgtlds.icann.org/en/applicants/agb/objection-procedures-04jun12-

en.pdf) and the New gTLD Dispute Resolution Procedure (the "Procedure") attached thereto.

As detailed in the Request, Commercial Connect filed a string confusion objection with

the ICDR asserting that an "applied-for string is confusingly similar to an existing TLD or to

another applied-for gTLD string in the same round of applications." (Guidebook, Section 3.3.2.1;

Procedure, Art. 2(e).)[1]

To initiate a dispute resolution proceeding, an objection must comply with the procedures

set out in Articles 5-8 of the Procedure. This includes the requirement that objections be filed

with the appropriate DRSP with copies to the gTLD applicant against which the objection is

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[1] Where a new gTLD applicant successfully asserts string confusion with another
applicant, the two strings are placed in a "contention set" to be resolved per the String
Contention Procedures in Module 4 of the Applicant Guidebook. (Guidebook, Section 3.2.2.1.)

being raised. (Procedure, Art. 7 (b).) Before an objection is registered for processing, the DRSP

conducts an administrative review to verify compliance with Articles 5-8 of the Procedure and

the applicable DRSP Rules, and informs the objector, the applicant and ICANN of the result of

its administrative review. (Procedure, Art. 9(a).)

A Panel of appropriately qualified expert(s) appointed by the designated DRSP will

consider an objection that has been registered for processing and for which a response has been

submitted. (Guidebook, Section 3.4.4.) Each Panel will determine whether the objector has

standing to object and will use appropriate general principles/standards to evaluate the merits of

each objection. The Panel must apply the standards that have been defined in Section 3.5 of the

Applicant Guidebook for each type of objection. (Guidebook, Section 3.5; Procedure, Art. 20.)

The Panel's final determination will include a summary of the dispute and findings,

identify the prevailing party, and provide the reasoning upon which the expert determination is

based. (Guidebook, Section 3.4.6; Procedure, Art. 21.) The findings of the Panel will be

considered an expert determination and advice that ICANN will accept within the dispute

resolution process. (Guidebook, Section 3.4.6.)

B.   Commercial Connect's Objection to Amazon's Applied-for String

Amazon is an applicant for the Japanese translation of "online shopping." Commercial

Connect objected to Amazon's Applied-for String, asserting that it was confusingly similar to

Commercial Connect's Applied-for String ("Commercial Connect's Objection"); Amazon filed a

response. The ICDR's appointed Panelist (the "Panel") rendered an "Expert Determination" on

21 August 2013. The Panel determined that Commercial Connect had standing to object as an

applicant for .SHOP, and rejected claims by Amazon that Commercial Connect did not properly

serve its objection on Amazon. (Expert Determination, Pg. 3.) Based on the evidence and the

parties' submissions, the Panel sustained Commercial Connect's Objection on the grounds that

Commercial Connect's Applied-for String is confusingly similar to Amazon's Applied-for String (Expert Determination, Pgs. 4-5.)

Although Commercial Connect's Objection was determined by a third-party DRSP, ICANN has determined that the Reconsideration process can properly be invoked for challenges of the third-party DRSP's decisions where it can be stated that either the DRSP failed to follow the established policies or processes in reaching the decision, or that ICANN staff failed to follow its policies or processes in accepting that decision. See BGC Recommendation on Reconsideration Request 13-5 at http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-booking-01aug13- en.doc.

III.   Analysis of Amazon's Request for Reconsideration

Amazon seeks reconsideration of the Panel's decision sustaining Commercial Connect's Objection. More specifically, Amazon requests that ICANN disregard the Panel's Expert Determination, and either instruct a new Panel to review Commercial Connect's string confusion objection with the standards set forth in the Applicant Guidebook or make the necessary accommodations to allow for a "non-discriminatory application of ICANN standards, policies and procedures." (Request, Section 9.)

A.   The ICDR and the Panel's Acceptance of Commercial Connect's Objection Does Not Demonstrate A Process Violation

In its Request, Amazon contends that the ICDR and the Panel failed to follow the established process for registering and/or accepting Commercial Connect's Objection. Specifically, Amazon claims that Commercial Connect failed to provide Amazon with a copy of the objection as required by Article 7(b) of the Procedure, and that this failure is a deficiency that cannot be rectified under the Procedure. (Request, Pgs. 8-10; Annex 4 to Request (19 April 2013

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Letter from Amazon to the ICDR).) Pursuant to Article 9(d) of the Procedure, which provides

for dismissal of objections that do not comply with Articles 5-8 of the Procedure and where

deficiencies have not been cured in the specified timeframe, Amazon contends that the ICDR

should have dismissed Commercial Connect's Objection and closed the proceedings. (Request,

Pg. 10; Annex 4 to Request (19 April 2013 Letter from Amazon to the ICDR); Annex 5 to

Request (24 April 2013 Letter from Amazon to the ICDR).)

The Procedure makes clear that the ICDR was required to perform an administrative

review of Commercial Connect's Objection, and to inform the objector, applicant, and ICANN

of the results of its administrative review. (Procedure, Art. 9(a).) The available record shows

that the ICDR complied with its obligations in this regard.

Amazon claims it received an email from the ICDR acknowledging receipt of

Commercial Connect's Objection on 18 March 2013 – though, according to Amazon, that email

did not specifically identify the string that was the subject of Commercial Connect's Objection.

(Request, Pg. 9.) Soon thereafter, on 4 April 2013, Amazon states that it also received an email

from the ICDR requesting that Commercial Connect provide "proof or statement" that copies of

the objection were sent to Amazon. (Request, Pg. 9.)

Contrary to Amazon's assertions, failure to provide an applicant with a copy of the

objection as required by Article 7(b) is a deficiency that can be cured under the Procedure.

Article 9(c) provides that if the DRSP finds that the objection does not comply with Articles 5-8

of the Procedure, the DRSP "shall have the discretion to request that any administrative

deficiencies in the Objection be corrected within 5 days." (Procedure, Art. 9(c).) Accordingly,

the ICDR's 4 April 2013 email, requesting Commercial Connect to cure the stated deficiency,

was consistent with the process established in the Procedure for the administrative review of objections.

According to the Request, subsequent to the ICDR's 4 April 2013 correspondence to Commercial Connect requesting it to provide proof of service of the objection on Amazon, Amazon claims it received the following documents from Commercial Connect:

(i) A copy of Commercial Connect's application for .SHOP;

(ii) A "online filing demand for arbitration/mediation form" that refers to Amazon's Applied-for String;

(iii) A "dispute resolution objection" with blank unfilled spaces where the string applicant and relevant string would otherwise appear;

(iv) a copy of Commercial Connect's 11 October 2000 applications for .MALL, .SHOP, and .SVC; and

(v) A copy of a 5 April 2013 correspondence to the ICDR in which Commercial Connect certifies that copies of the complaint and attachments were sent via email to all respondents and to ICANN.

(Request, Pgs. 9-10.) From the above, although particular entries may have been left blank, it appears that Amazon did in fact receive a copy of the objection. Based on the 5 April 2013 correspondence from Commercial Connect certifying that copies were provided to Amazon, ICDR concluded that Commercial Connect corrected the deficiency within one day of being notified, well within the five-day period allowed under the Procedure.

In its 11 April 2013 correspondence to the parties, the ICDR indicates that Commercial Connect's Objection would be registered for processing. The ICDR states that it conducted a further administrative review and noted that Commercial Connect's Objection, "after rectifying deficiencies previously set forth, now complies with Articles 5-8" of the Procedure. (Request, Pg. 8; Annex 3 to the Request (11 April 2013 Letter from the ICDR).) The ICDR thereafter sent a letter on 17 April 2013 providing Amazon with notification of its thirty-day period to file a

response to Commercial Connect's Objection. (See Annex 5 to Request (24 April 2013 Letter from Amazon to the ICDR.) Based on the above, Amazon lacks support for the claim that it did not receive notification that an objection had been filed against it and that Amazon was required to respond in order to avoid default.

Moreover, notwithstanding Amazon's own acknowledgment that it received a copy of the "dispute resolution objection" (albeit with certain entries left blank), the ICDR invited Amazon to raise the alleged procedural defects in Amazon's response to Commercial Connect's Objection. (Annex 6 to Request (3 May 2013 Email from ICDR to Amazon).) The Panel, having received and considered Amazon's claims of procedural deficiencies, rejected Amazon's claims indicating there was no actual prejudice to Amazon. The Panel noted:

> [I]t appears that Applicant received actual notice of the Objection, and has been accorded a full and fair opportunity to be heard on its application. Applicant also has not shown that it was prejudiced by any alleged defects in the filing of the Objection. (Expert Determination, Pg. 3.)

In view of the above, the ICDR's acceptance of Commercial Connect's Objection for decision does not demonstrate a policy or process violation, and Amazon has not demonstrated otherwise.

B.   Amazon's Claim That The Panel Applied The Wrong Standard Is Unsupported And Is Not A Basis For Reconsideration.

A separate ground of Amazon's Request is its contention that the Panel applied the wrong standard in evaluating Commercial Connect's Objection. Specifically, Amazon claims that the Panel applied a standard that considered "the use of essentially the same word in two different languages [as] sufficient to cause string confusion among the average, reasonable Internet user," and claims that such a standard would eliminate the need to evaluate translations of words on a case-by-case basis. (Response, Pg. 13.) Amazon further asserts that even if translations of essentially the same word were sufficient to cause string confusion, an English translation of

Amazon's Applied-for String is not the same as Commercial Connect's Applied-for String, and

they have different meanings. (Request, Pg. 13.) Amazon relies on another ICDR Panel's

determination, finding that Top Level Domain Holdings Limited's ("TLDH") application for the

Chinese translation of "shop" ("TLDH's Applied-for String) is not confusingly similar to

Commercial Connect's application for .SHOP,[2] as evidence that the Panel applied the wrong

standard. (Request, Pg. 14; Annex 2 to Request.) Amazon concludes that "in the impossible

event" that ICANN accepts the Panel's determination, the acceptance would "create inequitable

and disparate treatment without justified cause" in violation of Article II, Section 3, of ICANN's

Bylaws. (Request, Pg. 7)

In the context of the New gTLD Program, the Reconsideration process does not call for

the BGC to perform a substantive review of DRSP Panel decisions; Reconsideration is for the

consideration of process- or policy-related complaints. The Reconsideration process will not be

used in this instance to evaluate the Panel's substantive conclusion that Commercial Connect's

Applied-for String and Amazon's Applied-for String are confusingly similar. Rather, any review

will be limited to whether the Panel violated any established policy or process, which Amazon

claims was done by the Panel not applying the correct standard in reaching its determination.

The Panel referenced and correctly stated the applicable standard more than

once in its evaluation of Commercial Connect's objection.[3] (Expert Determination,

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[2] *Commercial Connect, LLC v. Top Level Domain Holdings Ltd.,* Case No. 50 504 T
00258 13, *available at*
http://images.go.adr.org/Web/AmericanArbitrationAssociation/%7B772b1de3-e337-4643-b310-
f87daa172a2e%7D_50_504_T_00258_13_determination.pdf (hereinafter "TLDH Expert
Determination".)

[3] In what appears to be a typographical error, at one point, the Panel incorrectly cites to
Section 3.4.1 of the Applicant Guidebook instead of Section 3.5.1, but the Panel nonetheless
correctly quotes from the applicable standard.

Pgs. 2, 4.) The relevant standard for evaluating a string confusion objection is set out

in Section 3.5.1 of the Applicant Guidebook:

> A DRSP Panel hearing a string confusion objection will consider whether
> the applied-for gTLD string is likely to result in string confusion. String
> confusion exists where a string so nearly resembles another that it likely to
> deceive or cause confusion. For a likelihood of confusion to exist, it must
> be probable, not merely possible that confusion will arise in the mind of
> the average, reasonable Internet user. Mere association, in the sense that
> the string brings another string to mind, is insufficient to find a likelihood
> of confusion.

The Applicant Guidebook also makes clear that a string confusion objection is not limited to

visual similarity, but rather, may be based on any type of similarity, including aural similarity or

similarity in meaning. (Guidebook, Section 2.2.1.1.3.)

Based on the parties' contentions, it appears that the Panel concentrated on the meanings

of the two strings. The Panel determined that there were three distinct, but related issues that

needed to be examined in assessing Commercial Connect's Objection:

> (i) Whether the root of the word in a string should be accorded protection
> from usage of variations of the root word, including participles (*e.g.,*
> several variations for the root word "shop" in the English language)?

> (ii) Whether the addition of the word "online" before the word "shopping"
> makes the two strings distinct as to avoid string confusion?

> (iii) Whether the use of Japanese characters and languages for the same
> word avoids the possibility of confusion?

(Expert Determination, Pg. 4.)

In evaluating these three issues, the Panel found that the concurrent use of "shopping",

the participle of the root word "shop," in a string will result in probable confusion by the average,

reasonable Internet user, because the two strings have virtually the same sound, meaning, look

and feel.[4] (Expert Determination, Pgs. 4-5.) The Panel likewise found that the addition of the

word "online" before "shopping" does not add sufficient uniqueness to the string because the

meaning of the strings arises from the use of the root word "shop" and not the modifier "online."

(Expert Determination, Pg. 5.) The Panel was also not persuaded that simply using a foreign

language or foreign characters avoided the possibility of confusion. The Panel determined that

many Internet users speak more than one language, including English, and that the use of

essentially the same word in two different languages is sufficient to cause string confusion

among the average, reasonable Internet user. (Expert Determination, Pg. 5.)

The Panel's focus on the meanings of the strings is consistent with the standard for

evaluating string confusion objections. A likelihood of confusion can be established with any

type of similarity, including similarity of meaning. (Guidebook, Section 2.2.1.1.3.) To

challenge this proposition, Amazon relies on the analysis of the public comment to version 2 of

the Applicant Guidebook. (Request, Pg. 11.) Amazon asserts that the public comment makes

clear that the standard for establishing string confusion is a "high standard, not intended to

hobble competition." (Request, Pg. 11.) In response to these public comments, which included

the suggestion that string confusion objections not be allowed for cases of similar meaning,

ICANN specifically addressed and clarified the proper scope of objections:

> The new gTLD implementation follows the GNSO recommendation that implies
> that string confusion should be tested in all ways: visual, meaning and aural
> confusion. After all, if harm to consumers would result due to the introduction of

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[4] Amazon claims that the word "shopping" is not used and does not appear in either of
the strings at issue, and therefore, the Panel improperly compared Amazon's Applied-for String
with the "shopping" string. (Request, Pg. 14-15.) Amazon's argument lacks credibility in that
Amazon's proposed string is the Japanese translation for "online shopping"; thus, "shopping" is
contained within the challenged string. Further, the Panel is permitted under the Procedure to
"refer to and base is findings upon the statements and documents submitted and any rules or
principles that it determines to be applicable." (Procedure, Art. 20(b).)

two TLDs into the root zone because they sounded but did not look alike, then both TLDs should not be delegated.

(New gTLD Draft Applicant Guidebook-Version 2: Analysis of Public Comment, Pg. 149 *available at* https://archive.icann.org/.../agv2-analysis-public-comments-31may09-en.pdf.) Any claim by Amazon that the Panel must limit itself to a standard of aural or visual similarity is not supported by available documentation, and does not support a finding that the Panel violated any established policy or procedure.

Moreover, the Panel did not automatically conclude that there was a likelihood of confusion between Commercial Connect's Applied-for String and Amazon's Applied-for String as Amazon contends. To the contrary, it appears that the Panel conducted a detailed and comprehensive analysis of the issues before reaching its determination.

Amazon further relies on another ICDR Panel's determination, finding that TLDH's Applied-for String is not confusingly similar to Commercial Connect's Applied-for String, as evidence that the Panel applied the wrong standard.[5] (Request, Pg. 14.) The fact that these two ICDR Panels evaluated potentially similar objections yet came to different conclusions does not mean that one Panel applied the wrong standard. On a procedural level, each expert Panel generally rests its determination on the materials presented to it by the parties to that particular objection, and the objector bears the burden of proof. Two Panels confronting nearly identical issues could rightfully reach different determinations, based on the strength of the materials

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[5] On 5 September 2013, Commercial Connect separately sought reconsideration of ICANN staff's acceptance of the TLDH Expert Determination. (Request 13-10, available at http://www.icann.org/en/groups/board/governance/reconsideration/request-commercial-connect-.) Request 13-10 is based primarily on a claim that the Panel dismissing Commercial Connect's objection to TLDH's Applied-for String and the Panel sustaining Commercial Connect's objection to Amazon's Applied-for String inconsistently applied the standard for evaluating string confusion objections. For the same reasons as stated herein, Commercial Connect's claims are unsupported and do not support Reconsideration.

presented. While Commercial Connect was the objector in both proceedings cited by Amazon, the objections were rebutted by different applicants. Thus, the Panels reached different determinations at least in part because the materials submitted by each applicant (Amazon and TLDH) in defense of its proposed string were different.

For instance, in dismissing Commercial Connect's objection to TLDH's Applied-for String, the Panel determined that Commercial Connect failed to meet its burden of proof that the two strings (Commercial Connect's Applied-for String and TLDH's Applied-for String) would cause probable confusion in the mind of the average, reasonable Internet user. (TLDH Expert Determination, Pg. 7.) The Panel, on the other hand, in sustaining Commercial Connect's objection, found that Amazon's arguments:

> [d]o not appear to be consistent with the applicable standard of review, the apparent purpose or goal of implementing gTLDs, or the purpose or goal in allowing a string confusion objection.

(Amazon Expert Determination, Pg. 5.) Overall, the Panel found that Amazon's arguments were "not persuasive." (Expert Determination, Pg. 5.)

Moreover, according to the TLDH Expert Determination, TLDH asserted that Commercial Connect's Applied-for String and TLDH's Applied-for String are aimed at distinct markets. TLDH claimed that Commercial Connect's Applied-for String will be marketed to "the global ecosystem of e-commerce" with a "strict verification process where Commercial Connect researches the identity of that applicant and [the] business." (TLDH Expert Determination, Pg. 5.) In contrast, TLDH's Applied-for String is directed to "Chinese-language vendors" and requires no such pre-verification. TLDH noted that these markets may overlap to some extent, but one is "global and restricted," while the other is "language-specific and open." (TLDH Expert Determination, Pg. 5.)

The Panel, dismissing Commercial Connect's objection to TLDH's Applied-for String, found that the similarity in meaning between the two strings is apparent only to individuals who read and understand both Chinese and English. Relying on the intended markets for the strings, the Panel determined:

> While there is some potential for overlap between these two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived or confused.

(TLDH Expert Determination, Pg. 7.) The Panel therefore dismissed Commercial Connect's objection not because it concluded that translations of essentially the same word are insufficient to cause string confusion – as Amazon suggests – but because TLDH presented convincing evidence that there was little likelihood of confusion between Commercial Connect's Applied-for String and TLDH's Applied-for String.

Further, the standard guiding the Panels involves some degree of subjectivity. While Amazon may disagree with the Panel's finding, Reconsideration is not available as a mechanism to re-try the substantive determination of the Panel. Amazon's claims that the Panel applied the wrong standard are unsupported and therefore, do not support Reconsideration.

IV.   Recommendation and Conclusion

Based on the foregoing, the BGC concludes that Amazon has not stated proper grounds for reconsideration, and we therefore recommend that Amazon's Request be denied without further consideration.

As there is no indication that either the ICDR or the Panel violated any policy or process in accepting and sustaining Commercial Connect's Objection, this Request should not proceed. If Amazon thinks that it has somehow been treated unfairly in the process, and the Board (through the NGPC) adopts this Recommendation, Amazon is free to ask the Ombudsman to review this matter.

Though there are no grounds for reconsideration presented in this matter, following additional discussion of the matter the BGC recommended that staff provide a report to the NGPC, for delivery in 30 days, setting out options for dealing with the situation raised within this Request, namely the differing outcomes of the String Confusion Objection Dispute Resolution process in similar disputes involving Amazon's Applied-for String and TLDH's Applied-for String. In addition, the BGC suggested that the strings not proceed to contracting prior to staff's report being produced and considered by the NGPC.